

BHTA Consumer Code

Audit May 2019

Background information

The British Healthcare Trades Association (BHTA) is a well-established body originally set up to provide mobility aids for those personnel wounded in WW1. The Association comprises several distinct sections operating under one banner. The members sell to consumers and businesses but also directly to public bodies such as the NHS and Local Authority Social Care and Health.

Their Code is designed to provide enhanced protection for consumers but there is an expectation that all Members should apply the code criteria as it is considered best practice when dealing with their clients. Market penetration varies depending upon the sector with those in the prosthetics sector accounting for almost 100% of the market, whereas in the provision of stair lifts it is closer to 50%.

A new Director General was in post at the time of the audit in June 2018. The individual appeared to be extremely supportive of the Code but unfortunately stepped down after a short time. This could have had an impact on the administration of the Consumer Code, however, a Member of the Board has taken on the role as an interim measure and the potential impact has been mitigated.

Audit Process

The Audit was carried out by a Trading Standards Practitioner from the Chartered Trading Standards Institute (CTSI) at the offices of BHTA in London.

The audit focused on the following areas:

1. Outstanding actions/observations from last audit.
2. Any planned changes to the code or to the operation of the code?
3. Member application process including checks carried out on prospective businesses
4. Member auditing - content and process (including general compliance with the code, staff training and dealing with consumer complaints)
5. Sanctions for non-complaint member businesses
6. Any disciplinary cases in previous year
7. Consumer complaints process (including ADR)
8. Customer satisfaction, information/complaints from enforcement agencies, and how this information is used to develop and improve the code.

Audit Summary

BHTA provided a Pre-Audit Questionnaire that covered the outstanding actions from the previous Audit and supporting documentation. A request for additional material led to a full a full explanation of the actions taken.

The documentation clearly shows the processes implemented and the level of compliance being achieved.

Actions from last Audit

BHTA demonstrates that the new process has been implemented at the next Audit.

The new process has been evidenced see below.

Interview style video snippets are being developed for members to receive the training remotely

No action has been taken regarding this matter but the Director of Governance & Policy still intends that this material will be made available.

The monitoring of Members has changed to include a monthly desktop audit as well as site visits to high priority or target businesses.

The desk top auditing has not been implemented as BHTA are unsure of the criteria to apply.

BHTA should consider entering into a data sharing agreement with Citizens Advice Consumer Service as soon as possible.

A data sharing agreement has not been pursued. BHTA believes that at the very least Code Sponsors should receive an annual summary of the number of calls involving their members, which had been promised at the outset of CCAS

Recommendation

CTSI should liaise with CACS to establish if this is feasible.

Member Application Process

The process is comprehensive and well-structured with the potential member required to complete a detailed assessment of their business activity.

The member applications for two prospective members were examined. BHTA demonstrated that these applications followed the new process that included an initial 'Prospect Checklist' that was completed before the current "New Member" Checklist.

BHTA has evidenced that the applications are thoroughly assessed. But it was noted that

- two different 'New member Checklists' are being used
- some of the actions on both lists appear not to have been completed, and
- there was no evidence of the failsafe being used

Additional information received subsequently demonstrated that BHTA had revised the checklists recently, had addressed the issue regarding the documenting of actions and had implemented the failsafe.

Existing Member Inspections/Audit

BHTA has a target of 70 audits each year selected at random. This should ensure that each member who sells to the public is audited at least once in a 5-year cycle. It is understood that additional audits are carried out on members who

- have low customer satisfaction, or
- high complaint numbers.

There is a level of seasonality in these audits to fit in with the Members less busy periods. BHTA indicates that 25% of the audits will be performed in the first 6 months and 75% in the latter 6 months.

The audits are carried out independently by up to three experienced auditors. The scores and the audit reports are considered by the Executive who will meet personally with the Member to follow up on any issues of concerns.

In the past year 63 audits have been carried out which is the same as the previous year. BHTA provided evidence of 5 Audits showing a comprehensive assessment of the Member. One of the Audits related to a 'non retail' Member. It was noted that many of the questions posed were not relevant to them.

Each audit indicated some action for the member to take. These points are noted on the form but only one follow up letter appears to be issued. These Audits are very recent and as the Member has 30 days to respond you will not have received

anything. BHTA was able to demonstrate that Members that received follow up letters responded positively.

Recommendation

It is recommended that 'non retail' Members have a different audit checklist or the current form is amended to ensure that the Auditor can ignore certain questions that relate to B2C transactions.

Membership Withdrawal and Sanctions for Non-Compliant Member Businesses

62 members left the organisation in the past year but the Association gained 44 new members. Evidence of the action taken when a Member either resigns or has their membership terminated was provided in respect of two 'leavers'.

In respect of one leaver who resigned their membership in June 2018 it was noted that the CCAS kite logo was still displayed on their website (albeit inactive). This Member was linked to another whose website contained a live CCAS logo but no BHTA logo.

BHTA accepted the omission explaining that the offending site was whilst linked was an independent site. They will revise their processes to include checks on all relevant websites to prevent similar occurrences in the future.

Non-compliant members face a range of sanctions including suspension of membership, closer scrutiny or expulsion. There is currently one Member going through the disciplinary process.

Marketing and Advertising by Member Businesses Terms and Conditions and other Pre-Contractual Information Customer Service Provisions

Promotion is crucial to the success of the Association and raising the profile of the CCAS. A spreadsheet of Logo checks was provided demonstrating that BHTA monitor Members Websites regarding the use of the BHTA and CCAS logo.

It appears that one of the reasons for this activity was to ensure that the old Association and the OFT logo had been removed. The activity revealed that these were no longer being used. But importantly of the 270 websites checked 72 (26%) did not contain either logo and a further 39 (14%) only contained the BHTA logo.

This work is an ongoing activity with the admin team undertaking checks on renewal and the Communications and marketing team liaising with members to ensure the 'don't forget' to use the logos. They also liaise with those Members operating globally to ensure that the use of the logo is restricted to the UK.

Information and Training for Code Members

BHTA continues to liaise with each Section on a regular basis using these sessions to update on legislative changes and maintain awareness of the Consumer Code. Power point presentations for two of those training sessions were demonstrated.

Consumer Complaints Process

BHTA assisted 71 consumers and dealt with 45 formal consumer complaints in the financial year to June 2018. The escalation rate was 19% and they were able to avert £12,723 of consumer detriment.

The Members who have had complaints made against them are the subject of increased scrutiny that may include a personal visit from the Director of Governance & Policy

Alternative Dispute Resolution

At the previous audit BHTA indicated that they were close to submitting an application to CTSI to become an accredited ADR provider however the application has not been submitted.

They continue to use the services of Lord Martin Thomas of Gresford OBE QC to provide arbitration.

Customer Satisfaction and Feedback

BHTA had moved to an online route for customer feedback but a sense check revealed that the feedback from these was minimal with many Members preferring to use specific review sites.

They have reverted to issuing hard copy questionnaires to Members that are returned direct to BHTA and recorded. However the option to provide online feedback will be re-introduced as part of the next set of website enhancements.

Hard copies were re-issued at the start of the year when the old electronic form was removed. 50 copies are issued to each renewing member that sells regularly to consumers with 15 issued to those who occasionally do so.

Since January 3% of forms have been returned compared to the 10% usually received but this period is notably quiet. A review will be completed at the end of the calendar year.

This method is supplemented with checks on certain members that have advised BHTA of their alternative method of obtaining feedback, particularly those Members who are required by the NHS to issue an annual questionnaire and publish the results.

Conclusions

BHTA has demonstrated that it continues to revise and refine its processes and procedures to reflect its changing resources, be more effective but also to meet the needs and expectations of the membership.

The Consumer Code is administered by a small team of dedicated and experienced individuals. They have an intimate understanding of the Sector and have developed strong working relationships with the Members and each of the Sections.

In my opinion BHTA continues to demonstrate that they fulfil their obligations as a Code Sponsor.

Recommendation:

BHTA considers developing a risk rating scheme where the membership is identified as High, Medium and Low risk based on

- their client base,
- the outcome of previous audits,
- customer satisfaction,
- reviews and complaints.

The level of risk will then identify the most appropriate method of monitoring.